

**United States
Foreign Policy Perspectives
for South Asia**

by

Scott William Zurschmit, BA, MSC

Report

Presented to the Faculty of the Graduate School of Asian Studies

The University of Texas at Austin

in Partial Fulfillment

of the Requirements

for the Degree of

Master of Arts

The University of Texas at Austin

December 1997

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Scott William Zurschmit, M.A.

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SUPERVISOR: Robert L. Hardgrave

In the absence of Cold War foreign policy imperatives, the United States should strive to improve bilateral relations with India and Pakistan, as well as between the two principal South Asian States. United States engagement in the region is increasing, but overall policies require adjustment. Using President Bill Clinton's *National Security Strategy* as a backdrop, this paper develops a list of major U.S. interests in the region. These interests include reducing tensions and encouraging peaceful conflict resolution; cooperating to restrict the transfer of nuclear material, nuclear technology and missile technology; preventing the further development or deployment of weapons of mass destruction and ballistic missiles; assisting India and Pakistan to safeguard against accidental or unauthorized detonation of nuclear weapons; expanding economic growth and trade; and promoting internal stability, democracy and protection of human rights. With these interests in mind, the paper discusses major problem areas in the region and recommends policies that allow for more effective pursuit of our interests in the long term.

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INTRODUCTION

This paper argues that United States interests in South Asia will continue to grow in the coming decades. Prudent policies now can encourage peace and stability in the region while increasing our involvement and influence. International relationships and the U.S. role in the world will continue to change. Competition between China and the U.S. is likely to intensify as China realizes economic growth, and asserts itself more and more within and outside of Asia. The fundamental issue is whether the administration can overcome the propensity to simply “react” to foreign affairs rather than trying to anticipate and shape them. This paper recommends policies that recognize the importance of farsightedness in foreign policy and argues that actions we take now in South Asia could certainly engender more effective pursuit of our interests in the long term.

ORGANIZATION

The paper begins by providing a background of United States relations with India and Pakistan. Next, we turn to a discussion of President Bill Clinton’s foreign policy philosophy as explained in the *National Security Strategy*.¹ The

¹ White House Report, *A National Security Strategy for A New Century*, (White House Publication, 1997), accessed on the World Wide Web at [<http://www.whitehouse.gov>].

paper argues that the President's foreign policy approach as explained in that document is efficacious given the post-Cold War international environment, while recognizing that there are problems in the actual execution of that policy. Next, the paper discusses how South Asia fits in that security strategy. This theoretical framework allows us to specify priorities within the region. After identifying U.S. national interests, the discussion presents viable policy options to help promote those interests. The paper admittedly focuses almost entirely on the countries India and Pakistan because of the author's belief that competition between these two states will continue to influence how the region of South Asia fares in the coming years.

HISTORICAL CONTEXT

This section presents a history of the United States relationship with India and Pakistan. The history clearly shows that the first 43 years of our relationship with the two nations were largely defined by Cold War circumstances. Because our relationships with India and Pakistan can no longer be defined by the "larger" goal of containing communism, it is essential that we pay closer attention to events within these two competing countries. Thus, the account becomes very specific and detailed as we exit the Cold War. Rather than providing a comprehensive account, this historical survey strives to lay the groundwork for more detailed analysis of these and other topics.

INDIA AND THE UNITED STATES

The United States and India are the world's two largest democracies. Despite being more populous than the whole of Africa, and despite the fact that the country is plagued by religious, linguistic, regional, and caste differences, India has maintained a functioning parliamentary system, an independent judiciary, a free press, and civilian control of the military for its entire history, except for the period of the Emergency, 1975-1977, under Prime Minister Indira Gandhi. Although this is something that virtually all other Third World states have failed to do, and even though promoting and sustaining democracy abroad is frequently identified as a major American foreign policy concern, India's conspicuous success in this regard

has attracted little American attention or praise. Instead, the American attitude toward India over the last five decades can fairly be described as a veritable mixture of indifference and impatience. Why have India and the U.S., both strong believers in the democracy, failed to develop a stronger relationship?

Dennis Kux's excellent account of relations between the two countries suggests that the relationship suffered because of clashes over national security issues of major importance to each country. Kux writes,²

For India, the principal stumbling block has been the U.S. – Pakistan relationship. In arming and aligning itself with Pakistan, the entity born of the traumatic partition of British India, the United States linked arms with a country which independent India considered its principal security threat. For the United States, the decisive problem has been India's attitude toward the Soviet Union. In establishing the policy of non-alignment under Nehru, India annoyed the United States by refusing to agree with America's perception of the Soviet threat. Under Mrs. Gandhi, India went much further, establishing close security and political ties with Moscow, making common cause with the nation which the United States regarded as the major threat to its security and to global peace and stability.

India's Post-Cold War Foreign Policy

India was not prepared for the abrupt end of the Cold War. As a result, India has sought, over the past several years, to adapt to new global realities which have rendered many of its former policies obsolete. The decline of the Soviet Union stripped India of a reliable source of economic assistance and military equipment, a key trading partner, and the promise of political support in its adversarial relationships with China and Pakistan. Moreover, the decline of communism and resultant end of a bipolar world has made India's traditional role as leader of the non-aligned world something of an anachronism.

² Dennis Kux, *India and the United States: Estranged Democracies* (Alexandria, VA: National Defense University Publications, 1992), p. 448.

India and the United States are actively pursuing a more normal relationship. A visit by Indian Prime Minister Narasimha Rao in May 1994, marked the beginning of a significant improvement in U.S.-India relations. Subsequently, in January 1995, U.S. Secretary of Defense William J. Perry visited India in an effort to better relations. Perry's visit, the first to the region by a U.S. Defense Secretary since the demise of the Soviet Union, focused on ways to further peace and stability in the region, as well as expanding areas of defense cooperation. In New Delhi, Secretary Perry pushed for an end to the remnants of Cold War tensions between India and the U.S. The two countries signed a military accord calling for closer security ties and increased cooperation in defense production and research, joint military exercises, and military training.³

Secretary Perry affirmed U.S. intentions to maintain a balanced approach in its relations with India and Pakistan. He also informed New Delhi and Islamabad that President Clinton equally understood the security concerns of both countries. Rather than stressing the U.S. preference for a rollback of both countries' nuclear programs, Secretary Perry urged India and Pakistan not to deploy short-range missiles capable of carrying nuclear weapons. Recognizing that a solution to the Kashmir problem is necessary before India and Pakistan can normalize relations, Perry offered U.S. assistance at brokering a settlement – if requested by both parties.

By early 1996, however, the United States had become increasingly concerned over signs of heightening tension and nuclear and missile proliferation in

³ Barbara Leitch LePoer, "India-U.S. Relations," *Congressional Research Service Issue Brief*, (March 1996).

South Asia. In mid-December 1995, U.S. press reports, based on U.S. intelligence leaks, suggested that India might be preparing to test a nuclear weapon at Pokharan in the Rajasthan desert, where it had conducted its first and only nuclear test in 1974.⁴ The Indian leadership promptly and vociferously denied the reports. In February 1996, *The New York Times* reported on leaked U.S. intelligence reports which stated that in 1995 China sold Pakistan ring magnets capable of being used for enriching uranium for nuclear weapons.⁵ Throughout much of 1996, India and Pakistan traded heavy fire along the line of control that divides their forces in the disputed region of Kashmir.

On June 3, *The Washington Post* reported that India had "moved a handful of medium-range [Prithvi] ballistic missiles to a prospective launch site near the Pakistani border, raising fresh concerns in Washington that the two enemies may have entered a provocative phase in their long-standing arms race."⁶ Pakistani Foreign Minister Gohar Ayub Khan responded to the report on June 4, saying "India has created a dangerous security environment."⁷ U.S. State Department spokesman Nicholas Burns stated on June 4 that "We would see that the deployment by either [India or Pakistan] of ballistic missiles would be fundamentally contrary to the recent good progress made in the relationship. . . .

⁴ Tim Weiner, "U.S. Suspects India Prepares For Nuclear Test," *The New York Times*, 15 December, 1996.

⁵ Tim Weiner, "Atom Arms Parts Sold to Pakistan by China, U.S. Says," *New York Times*, 8 February, 1996, p. A1.

⁶ R. Jeffrey Smith, "India Moves Missiles Near Pakistani Border," *Washington Post*, 3 June, 1997.

⁷ R. Jeffrey Smith, "India's Missile Move," *Washington Post*, 9 June, 1997.

We hope this will be one of the central issues in their own discussions – the prevention of a deployment of ballistic missiles in either country.”⁸

But not all of the recent news has been bad. Despite many confrontations over maltreatment of diplomats, cross-border firings, and proliferation concerns, New Delhi and Islamabad have engaged in secretary-level talks three times in 1997--in March, June and September. Furthermore, it appears that a friendly relationship has formed between the Pakistani Prime Minister Nawaz Sharif and Prime Minister Inder K. Gujral. Although no new policies or proposals of any substance have been generated from these developments, the fact that the two countries are holding high-level talks is significant. In a region plagued with confrontation and disagreement, any progress such as this induces a sense of cautious optimism.

With the new constructs brought about by the end of the Cold War, the United States and India have also made significant strides in developing a closer relationship. On October 18, 1997, Under-Secretary of State for Political Affairs, Thomas Pickering told a press conference in New Delhi that “The United States will not oppose India’s claim for a permanent seat in the United Nations Security Council if she is chosen by the Asian Group from this region.”⁹ Ambassador Pickering’s visit also prepared the ground for Secretary of State Madeline Albright to visit in November 1997 and President Bill Clinton’s visit early in 1998. Clinton will be the first U.S. president to visit South Asia since Jimmy Carter

⁸ U.S. Department of State Press Briefing, June 4, 1997, accessed on the World Wide Web at [<http://www.state.gov>].

⁹ Joydeep Mitra, “U.S. Agrees to India’s Permanent U.N. Seat,” *India News Digest*, 22 October, 1997.

traveled to India in January 1978. These diplomatic ventures posit continued optimism for improved relations between India and the U.S. in the post-Cold War years.

Economic Reforms

The validity of India's economic system, the Nehruvian socialist economic planning program, was in question at the same time India was forced to alter its foreign policy. India's growth had compared badly with the spectacular growth of the market-oriented East Asian countries. On taking power in 1991, the Narasimha Rao government inherited a desperate financial situation. India's budget deficit exceeded 10% of its Gross Domestic Product (GDP), and inflation was running above 15%. With only a few weeks of exchange reserves on hand, the country was thought by some analysts to be on the brink of defaulting on its \$80 billion foreign debt.¹⁰ Rao and his cabinet realized that to succeed, India would have to completely reform its economy.

Rao's finance minister, Manmohan Singh, immediately instituted a new economic program designed to liberalize India's economy and address its economic problems. As a result, the government has been able to substantially reduce inflation and the fiscal deficit. The United States has been very supportive of India's economic reforms, which have been encouraged by International Monetary Fund (IMF) assistance and prodding. Continued progress in Indian economic reforms will decide India's future place in the world, as well as its relationship with the U.S.

¹⁰ LePoer, "India-U.S. Relations," p. 2.

PAKISTAN AND THE UNITED STATES

The opening paragraph of the previous section discusses the irony that the world's two largest democracies have failed to develop a stronger relationship. The U.S.-Pakistani relationship is equally as puzzling. Pakistan has been ruled by military regimes for almost half its fifty years of existence. Furthermore, its intermittent experiments with democratic governance have lacked credibility and effectiveness due to incessant feuding between political parties and rampant corruption within and outside the government. Regarding the United States relationship with Pakistan, then, the "hundred dollar question" is "How have two countries with such seemingly disparate national values managed to maintain such close relations?"

The U.S.-Pakistan relationship, like the U.S.-India relationship, was very much shaped by the Cold War. The U.S. preoccupation with the spread of communism and Pakistan's intense desire for security assistance against a perceived threat from India prompted the two countries to negotiate a mutual defense assistance agreement in May 1954. In 1955, Pakistan increased its alignment with the West by joining two regional defense pacts, the South East Asia Treaty Organization (SEATO) and the Baghdad Pact (later Central Treaty Organization, CENTO). This new relationship with the West resulted in a 1959 U.S.-Pakistan cooperation agreement. As a result, Pakistan received more than \$700 million in military grant aid during the period from 1955 to 1965. U.S. economic aid to Pakistan from 1947 to 1993 totals approximately \$6.5 billion,

which constitutes more than one-third of the total assistance granted to Pakistan by all sources since independence.¹¹

Despite this support, throughout the U.S.-Pakistan security relationship, differing expectations have resulted in consternation on both sides. During the Indo-Pakistani wars of 1965 and 1971, the United States suspended military assistance to both sides. In the mid-1970s, new concerns arose over Pakistan's efforts to pursue nuclear weapons capability. Limited U.S. military aid to Islamabad was resumed in 1975, but the Carter Administration suspended it in April 1979, under Section 669 of the Foreign Assistance Act (FAA), because of a belief that Pakistan was secretly constructing a uranium enrichment facility.¹²

The Soviet invasion of Afghanistan in December 1979 increased Pakistan's status, and it was again viewed as a "frontline state" against Soviet expansionism. In 1980, President Zia-ul Haq refused an aid offer from the U.S. of \$400 million in economic and security aid as "peanuts," a pun referring to President Carter's previous occupation. Zia's shrewd bargaining technique paid-off in 1981 when the Reagan Administration negotiated a \$3.2 billion, five year economic and military aid package with Pakistan. Pakistan became a conduit for arms supplies to the Afghan resistance, as well as a refugee camp for three million Afghans.¹³

Still, despite the renewal of U.S. aid and close security ties, many in Congress remained concerned about Pakistan's nuclear program. In 1985, Section

¹¹ Craig Baxter et al, *Government and Politics in South Asia* (Boulder: Westview Press, 1993), ch. 15.

¹² Task Force Report, *A New U.S. Policy Toward India and Pakistan*, Sponsored by the Council on Foreign Affairs (1997), p. 11.

¹³ Baxter, p. 228.

620E(e), the so-called Pressler Amendment, was added to the FAA. This section requires the President to certify to Congress that Pakistan does not possess a nuclear explosive device during the fiscal year for which aid is provided. The Pressler amendment was a compromise between those in Congress who thought aid to Pakistan should be cut off and those who favored continuing support for Pakistan's role in opposing the Soviets in Afghanistan.

The Soviet withdrawal from Afghanistan, beginning in May 1988, however, minimized Pakistan's importance in the eyes of the administration and Congress. As a result, Pakistan's nuclear activities again came under close scrutiny. In October 1990, President Bush suspended aid to Pakistan because he was unable to make the necessary certification to Congress. Under the provisions of the Pressler amendment, all military aid to Pakistan was stopped and deliveries of major military equipment suspended.¹⁴

Pakistan's Post-Cold War Travails

With the end of the Cold War and the collapse of the Soviet Union, Pakistan lost its status as a frontline state against the communist expansionism. The U.S.-Pakistan relationship experienced a "slump" because of Pakistan's pursuit of the nuclear option and the recent unwillingness of U.S. presidents to overlook that program. Both Congress and the administration have become increasingly concerned in recent years by the ongoing nuclear and ballistic missile arms race in South Asia.

¹⁴ Task Force Report, pp. 11-12.

Recognizing that U.S. assistance was crucial for Pakistan to continue its progress along a path of democratization and economic development, in 1992 Congress partially relaxed the scope of the aid cutoff to allow for food assistance and continuing support for nongovernmental organizations (NGOs). The highly successful counter-narcotics program has also been continued. In September 1994, the Clinton Administration announced a \$10 million grant for a child survival/maternal health program following a meeting between Prime Minister Benazir Bhutto and U.S. Vice President Al Gore in Cairo. The Agency for International Development grant is being administered through NGOs.¹⁵

By far the most serious result of aid cutoff for Pakistan is the refusal of Washington to deliver 71 F-16 fighter jets that Pakistan ordered in 1989, 28 of which Pakistan had paid for. In January 1995, in an attempt to make amends, Secretary Perry told the Pakistani leadership that the United States would try to find another buyer for the 28 aircraft which were already paid for, so that Washington could refund the \$685 million owed to Pakistan.¹⁶ Shortly thereafter, the aforementioned *New York Times* report leaked the CIA report alleging that China had transferred critical nuclear technology to Pakistan. The timing of this report could not have been worse for Pakistan. Despite the evidence of Pakistani proliferation, in January 1996, President Clinton signed into law the so-called Brown amendment, which permitted the delivery of \$368 million in previously embargoed arms and spare parts and allowed future economic assistance.¹⁷ To

¹⁵ Barbara Leitch LePoer, "Pakistan-U.S. Relations," *Congressional Research Service Issue Brief*, (April 1996), p. 2.

¹⁶ *Ibid.*, p. 9.

¹⁷ Task Force Report, p. 12.

date, the Defense Department has failed to find a buyer for the F-16s, and the United States has not reimbursed any money to Pakistan. The F-16 issue has caused significant consternation amongst Pakistanis from all walks of life. An unpublished article by a friend and fellow South Asianist aptly summarizes the feelings of Pakistanis on the recent downturn in relations. In describing her summer 1997 trip to Pakistan, Yvette Rosser writes, "Pakistanis feel betrayed by the USA. 'We loved America! You abandoned us!' More than once, with eyes full of sorrow, someone would lean forward earnestly and ask, 'Please, Madame, give us back our F-16s.'"¹⁸

Pakistan's Political Situation

Ironically, U.S. "disengagement" from Pakistan after the Afghan War began just as Pakistan was shifting from a martial law regime to democracy. Democratization has been a frustrating process in Pakistan. Four general elections have been held since the last round of military rule ended in 1988. But democracy has not quite caught on. Parliament, headed by the prime minister, is arguably Pakistan's weakest institution, run by big landowners, who see the country as their fiefdom, and powerful industrialists with a similar attitude.

Real power in Pakistan rests in an unofficial "troika" made up of the prime minister, president, and the chief of army staff. Constant bickering between and rampant corruption within the two major parties, the Pakistan People's Party, led by former Prime Minister Benazir Bhutto, and the Pakistan Muslim League, led by current Prime Minister Nawaz Sharif, have steadily eaten away at the people's

¹⁸ Yvette Rosser, "Please, Madame, Give Us Back Our F-16's," unpublished.

faith in democracy. Just nine months after riding to power on a two-thirds majority, Nawaz Sharif's government is in trouble. Sharif is currently engaged in a bitter power struggle with the Supreme Court over who has the right to appoint judges. Increasingly frustrated over the immaturity of civilian leaders, the powerful army, which has chosen for the last nine years to continue Pakistan's experiment with democracy, may now decide to discontinue the experiment in the near future. While most Pakistanis believe their politicians are incessantly corrupt, they think the army is relatively free of corruption and its leader, the army chief, is probably the best man to arbitrate political disputes. Needless to say, the dismal state of Pakistan's political institutions severely hinders the ability of other nations, including the United States, to confront major issues with this troubled state.

WHERE TO GO FROM HERE?

This brief examination of major issues affecting U.S. relationships with India and Pakistan clearly shows that the task of identifying policy perspectives for this complicated region is a great one indeed. One conclusion that can be drawn from this examination, however, is that despite the fact that these two countries share historical and ethnic links going back thousands of years and have similar problems with political and economic underdevelopment, Pakistan and India remain very different countries.

With the U.S. decision to support India in its bid for a seat on the United Nations Security Council, India appears to be on the verge of realizing its dream of a credible leadership role in the world. Furthermore, despite the recent problems

in Asian stock markets, all major political parties in India appear committed to pushing through economic reforms designed to rid India of the "Hindu rate of growth" forever. Pakistan, on the other hand, is plagued by political uncertainty and seems to be struggling to find a place in the post-Cold War world. Indeed, one must wonder if Pakistan will even survive the next few years in its present form. Since the United States is no longer driven by Cold War foreign policy imperatives, and because the challenges within these two countries are so complex and varied, now is the time to reconsider what formative and formidable policies the United States should follow within South Asia.

DETERMINING U.S. INTERESTS IN SOUTH ASIA

THEORETICAL FRAMEWORK

The President's policy of "engagement" and "enlargement" is the correct foreign policy approach for the post-Cold War world. The policy's major strength is that it strives to promote U.S. interests while limiting public confrontation with other nations. The administration emphasizes "closed-door" diplomacy to reach agreement on contentious issues. Closed-door diplomacy's greatest advantage is that it allows us to find common ground with other countries without putting either party on the defensive by publicly challenging the "character" of a nation. Behind closed doors, we can voice our concerns without backing others into a diplomatic corner.

However, one major problem exists in our foreign policy agenda, namely, that our policies tend to be reactive instead of forward-looking or visionary. Many analysts agree that India, already nuclear capable and militarily competent, could readily emerge as a powerful economic and political force in the coming decades. The administration recognizes this and has instituted policies to increase economic, political, and military contact. Yet, one could easily argue that the U.S. gives relatively little attention to India specifically, and South Asia in general. Granted, much of this is due to the complexity of world politics after the Cold War. Cold War foreign policy was rather straightforward – if it was bad for the Soviet Union and world communism, we encouraged it; if it was good for the Soviet Union and

world communism, we discouraged it. This may sound oversimplified, but in essence it is true. Nowadays, the U.S. must look at each issue relative to its own interests, which are far more broad-based than a policy based primarily on thwarting a political system dominated by one country. Still, there is a strong argument for formulating foreign policy that seeks to ensure that the U.S. interests are served in the long term – twenty or thirty years hence. This paper argues that South Asia warrants more attention now, so that we can help promote democracy and stability in the region while building strong relationships and leverage which will help further our interests in the long term.

Before discussing specific policies, however, we must first identify what interests the U.S. has in the region. As previously stated, the current overall policy of engagement and enlargement is the correct approach. The next part of the discussion outlines this policy, highlighting how it applies to South Asia.

NATIONAL SECURITY STRATEGY APPLIED TO SOUTH ASIA

In May 1997, the White House published President Clinton's *National Security Strategy for A New Century*.¹⁹ The document provides the administration's strategy for promoting America's interests in the post-Cold War world. The idea of "engagement," central to the philosophy, means continuing U.S. global leadership by maintaining an open dialogue with other nations on important issues. Another major aspect of the strategy, "enlargement," means

¹⁹ White House Report, *A National Security Strategy for A New Century*, (White House Publication, 1997), accessed on the World Wide Web at [<http://www.whitehouse.gov>].

expanding the scope of democratic practices worldwide. The logic behind this strategy is that the more democracy and political and economic liberalization take hold in the world, particularly countries of geo-strategic importance to us, the safer our own nation is likely to be and the more our people are likely to prosper. The primary objectives of this policy provide key areas through which we can begin to define U.S. interests in South Asia. Those objectives are:

- *Enhancing Our Security.*
- *Promoting Prosperity at Home.*
- *Promoting Democracy.*²⁰

Enhancing Our Security

The U.S. government is responsible for protecting the lives and personal safety of Americans, maintaining our political freedom and independence as a nation, and promoting the well-being and prosperity of our nation. No matter how powerful we are as a nation, we cannot secure these basic goals unilaterally. Whether the problem is nuclear proliferation, regional instability, trans-national drug trafficking or the reform of unfair trade practices, the threats and challenges we face demand cooperative, multinational solutions. Therefore, the only responsible U.S. strategy is one that seeks to ensure U.S. influence over, and participation in, collective decision-making in a growing array of circumstances.

Promoting Prosperity at Home

A central goal of our national security strategy is to promote America's prosperity through efforts both at home and abroad. Our economic and security

²⁰ Ibid., p. 2.

interests are increasingly inseparable. Our prosperity at home depends on engaging actively abroad. The strength of our diplomacy, our ability to maintain an unrivaled military, the attractiveness of our values abroad – all these depend in part on the strength of our economy. The success of American business is very dependent upon success in international markets. India's estimated 250 million strong middle class carries obvious market potential for U.S. businesses. Furthermore, India possesses a talented and relatively inexpensive labor force. In short, the growing Indian economy offers many opportunities for increased investment and trade. Another way we can promote prosperity at home is by promoting sustained economic development in South Asia. Broad-based economic development not only improves the prospects for strong democracies in developing countries, but also expands the demand for U.S. exports.

Promoting Democracy

All of American strategic interests – from promoting prosperity at home to countering global threats abroad before they directly threaten our territories – are served by enlarging the community of democratic and free market nations. Therefore, working with the democracies of South Asia to help preserve them as democracies committed to free markets can only benefit Americans in the long term. All of the nations of South Asia, except Bhutan and Afghanistan, are ruled by popularly elected governments. Granted, some of these governments have a tenuous hold on power at best, but our assistance can help to ensure that democracy flourishes in the region. With the National Security Strategy as a backdrop, we can now discuss the specific U.S. interests in South Asia.

U.S. INTERESTS

U.S. interests in South Asia are not vital,²¹ but are important and increase with each passing year. The region contains one-fifth of the world's population and occupies a potentially critical area of the world. Currently, our economic stake in South Asia is only a fraction of our total exports. It has, however, risen significantly in recent years. Whereas the total of all foreign investment in India from 1947 to 1991 was only \$1.5 billion, in 1996 alone it reached \$2 billion.²² Furthermore, U.S. exports to India reached \$37.3 billion in 1996, up 60 per cent from 1993. India's exports to the United States also jumped from \$21.5 billion in 1993 to \$33 billion last year.²³ The U.S. will continue to increase trade with both India and Pakistan as they pursue economic reform programs and industrial modernization.

The China Factor

As China asserts itself more and more throughout Asia, South Asia's importance to the U.S. could increase. Despite major disagreements on human rights and proliferation, President Clinton's national security team is trying to build a stronger relationship with China. Maintaining good relations with China is important, but it will prove difficult because of fundamental disagreements over

²¹ Any developments that could concretely affect the security or economic future of America and our citizens are considered vital interests.

²² Michael Mandelbaum, "Increasingly, the future of India is vital to U.S.," *Austin American Statesman*, 15 August, 1997.

²³ George Gedda, "India Looking Up?," *Associated Press*, 12 September, 1997.

issues such as human rights. In a recent interview with Larry King, Secretary of State Madeline Albright stated:²⁴

The human rights issue is central to our foreign policy. We will never have a completely normal relationship with China until they sort out their human rights policy. But we have an obligation, I think, to have a relationship with this country that has 1.2 billion people, that's going to have a great influence on us throughout the 21st Century. . . . It's a broad-based relationship, and not just a one-issue relationship, but human rights is so important.

For now, our relations with China are friendly, but as China strengthens economically and militarily, competition between China and the U.S. may become less friendly. If this happens, good relations with a strong India could prove invaluable. Likewise, due to Pakistan's special relationship with China, it is advisable to maintain favorable relations with Pakistan.

South Asia's proximity to the huge oil and gas reserves of the Persian Gulf and Central Asia increases its geo-strategic importance to the U.S. Still, the many problems facing the region – ongoing armed conflict under the shadow of nuclear weaponry, underdevelopment, overpopulation, and deep-rooted ethnic, religious, and political differences – must be dealt with adequately or stability could prove elusive. President Clinton touched on this recently when he said, "the United States will remain heavily involved in the region because of the enormous potential of South Asia for good if things go well, and for ill if they do not."²⁵

²⁴ Secretary of State Madeleine K. Albright, Interview on CNN-TV "Larry King Live" with Larry King, Washington, D.C., 12 October, 1997.

²⁵ White House News Conference, 6 August, 1997, as reported by Deborah Tate, Voice of America.

After considering South Asia's problems and potential within the context of the National Security Strategy, we can now list some of the important U.S. interests in the region as:

- **Reducing tensions and encouraging peaceful conflict resolution.**
- **Cooperating to restrict the transfer of nuclear material, nuclear technology and missile technology.**
- **Preventing the further development or deployment of weapons of mass destruction and ballistic missiles.**
- **Assisting India and Pakistan to safeguard against accidental or unauthorized detonation of nuclear weapons.**
- **Expanding economic growth, trade and investment.**
- **Promoting internal stability, democracy and protection of human rights.²⁶**

Now that we have identified the major U.S. interests in the region, we can turn to a more detailed discussion of problem areas related to those interests and what specific policies the U.S. should follow in the region. Clearly, many of those interests are intertwined; for example, political stability is linked to economic development. The key, then, is to identify policies that provide the largest pay-off; that is, policies which further as many of our interests as possible without

²⁶ After some thought, I decided *not* to rank order these interests as there is no necessary correlation among an interest's importance and the potential for U.S. policies to have an effect in that interest. Furthermore, several of these interests are interconnected. For example, improvements in the internal stability within one country could help reduce tensions within the region. This list is by no means comprehensive, but I feel these are our most important interests.

adversely affecting any of them. Moreover, we cannot allow one core interest to be pursued to the exclusion of other key objectives. This has always presented a problem because of Congress' desire to influence the administration's foreign policy. Unfortunately, Congress tends to focus on one or two politically sensitive issues such as human rights or proliferation at the expense of all other interests. This tends to "handcuff" the President in his pursuit of broad-based engagement.

The remainder of the paper focuses on three problem areas which should be the focus of our South Asian policy, namely, political instability, regional tension, and proliferation of weapons of mass destruction.

POLITICAL INSTABILITY

Except for Afghanistan and Bhutan, parliamentary governments are in place throughout South Asia. The democratic tradition that took hold in India from its inception is becoming the norm throughout the region. However, bitter political cleavages, endemic throughout the region, retard the development of democratic institutions and weaken the ability of the political system to move ahead on needed economic and social reforms. India, which has the strongest democratic traditions, is plagued by political weakness. Indeed, Indian newspapers are full of speculation about when (no longer "if") the United Front government of Prime Minister Inder K. Gujral will crumble. Internal squabbling amongst coalition members and attacks from the Hindu-nationalist Bharatiya Janata Party (BJP) make it extremely difficult for Mr. Gujral to pursue any long term policy. As discussed earlier, Pakistan's situation is far worse. Some speculate whether it will even survive this millennium in its current political and geographical form.

How might the United States help promote stability in the region? During the Cold War, the United States was engaged in ensuring its territorial security, improving the well-being of its people, and advancing its basic values; it did this, in part, by utilizing foreign aid to foster a politically and economically more stable and open world. In the post-Cold War era, the American people face no threat to their survival from a major adversary. Nonetheless, active U.S. engagement in world affairs is still required to ensure the security and quality of life of current and

future generations. International assistance, when applied correctly, remains an important instrument of that engagement, in spite of the current "anti-aid" bias within Congress.

RECOMMENDATIONS

- **The U.S. should continue to encourage economic reform in South Asia.**
- **The administration should increase foreign aid to the countries of South Asia, especially India, Pakistan and Bangladesh.**

INTERESTS SERVED

- **Expanding economic growth, trade and investment.**
- **Promoting internal stability, democracy and protection of human rights.**

DISCUSSION

Geography and extreme poverty magnify the effects of underdevelopment in South Asia. This is because of the potential for internal problems to spill over into other countries. For instance, a famine in Bangladesh might instigate massive movement of refugees into India. Despite significant progress since the 1980s, Indian areas bordering Bangladesh continue to experience unrest due to poorly-

controlled immigration and underdevelopment. Likewise, one can imagine the myriad of problems India might experience if Pakistan was to disintegrate.

So how might the U.S. help to promote stability and ensure that democracy flourishes in the region? Firstly, the U.S. is already helping indirectly. By encouraging others to open up their economies and institute economic reforms, we are helping to strengthen their economies in the long run. Unfortunately, there are no "Asian Tigers" in South Asia. Economic development is moving at a steady pace throughout the region, but it is not moving fast enough to outrun the burdens of population growth. Furthermore, the economic benefits of reform programs have not yet reached the majority of South Asians. One way the U.S. could help these governments get on their feet, so to speak, is to increase foreign aid to all South Asian countries, especially India, Pakistan and Bangladesh. The reason we should place priority on Bangladesh and Pakistan is because of the aforementioned "spillover" effects. By helping Bangladesh and Pakistan, we are helping to bring stability to the entire region, while relieving India of the heavy burdens that result when instability strikes its neighbors. India is at an important crossroads in its development process – any relief we can offer will help. India's economic reform program is working and all the major parties seem committed to the reforms, but experts predict that India will need \$150 billion to improve infrastructure over the next five years.²⁷ The question is where will this money come from?

²⁷ Sabyasachi Mitra, "Gujral Says India Can Sustain 7 pct Growth," *Reuters*, 18 November, 1997.

The Foreign Aid Debate

Admittedly, the political climate in the U.S. is "anti-foreign aid." Still, if foreign aid was a viable policy during the Cold War to win allies and promote development, then certainly the money would be well spent now to develop strong relationships while promoting development and encouraging stability. The U.S. currently allocates only one percent of the federal budget to foreign aid.²⁸ This section of the paper argues that increased aid, properly allocated, can help promote stability in South Asia. In doing so, I will distinguish between the types of aid required by countries like Pakistan and Bangladesh, which require aid that I will call "Aid for Crisis Prevention," and a country like India, which requires assistance to ensure that its economic reform programs continue to be successful. The economic and political benefits of aid to Pakistan and Bangladesh will be seen only in the long term, while aid for India will directly support U.S. economic interests in the immediate future as well as in the long term.

Aid for Crisis Prevention

It is abundantly clear that the United States has a compelling national interest in preventing and averting crises before they occur. Crisis prevention is one of our greatest challenges in this new era, and development programs have a

²⁸ Program on International Policy Attitudes (A joint program of the Center for the Study of Policy Attitudes and the Center for International and Security Studies of the University of Maryland), *Americans and Foreign Aid*, January 23, 1995. It is interesting that "the majority of Americans seem to feel that giving foreign aid is in the economic interest of the U.S. Sixty- three percent of respondents agreed that 'the world economy is so interconnected today that, in the long run, helping third world countries to develop is in the economic interest of the U.S. Many of these countries will become our trading partners that buy our exports, so in the long run, our aid will pay off economically.'"

lead role to play in these efforts. As we know from our own experience, every country is subject to the internal pressures to some degree of stress from ethnic, religious, economic and other deep-seated conflicts among their own citizens. What distinguishes a country that can endure these internal tensions from one that cannot is the relative strength of its domestic institutions. By institutions, I mean not just government and political organizations, but also tradition, culture, social practices, religion and the depth of human capital.

The reality is that most nations in conflict simply lack the institutional capacity to avoid escalating violence. We see prime examples of this in both Pakistan and Bangladesh. The current competition between Nawaz Sharif and the Pakistani Supreme Court, which has erupted into violence on several occasions, is one such example.

The findings of a recent CIA study of failed states confirm the role of underdevelopment in crises. The study attempted to find the indicators most commonly associated with a vulnerability to crisis. The three leading factors shared among nations that have succumbed to crisis were high infant mortality rates, a lack of openness to trade, and weak democratic institutions.²⁹ Does this mean that if we simply promote trade, strengthen democracy and provide child health programs that crises would disappear? The study does not say that. What it does say is that these variables are reasonable measurements for a nation's relative level of overall development, including a country's willingness to invest in

²⁹ This study is outlined in the 19 March, 1997, testimony of J. Brian Atwood, Administrator, U.S. Agency for International Development (USAID) before the subcommittee on Foreign Operations of the House Appropriations Committee. Accessed on the World Wide Web at [<http://www.congress.gov>].

its own people, to concern itself with lower consumer prices and to create institutions which enable the people to participate in the development of their own society.

The implications of this analysis for our foreign policy are profound. Development programs are aimed at enriching human resources, strengthening open institutions, and supporting political and economic reform. By fostering stronger institutions, a richer human resource base and economic and social progress, countries are better able to manage conflict. Development programs give us the tools we need to deal with the uncertain world around us. Clearly, development programs are not an ironclad guarantee against crisis and collapse, but successful development programs can vastly improve the capabilities of a country to manage division and conflict. This is clearly in the best interests of the United States.

There is strong evidence that U.S. foreign assistance programs have successfully helped develop functioning stable democracies. Political freedoms have increased significantly in the countries where development activities have been most focused. Between 1982 and 1996, Freedom House data demonstrates that political freedom improved in 48 countries and grew worse in 30. Of the 29 countries showing the most dramatic improvements in political freedoms, most were significant recipients of U.S. aid over the period. U.S. efforts helped nations such as the Philippines, South Africa, Jordan, Haiti, Bangladesh, Guatemala,

Mozambique, Nicaragua, Uruguay and Malawi realize the dream of more open societies.³⁰

International development cooperation works. In developing countries during the past 35 years, infant mortality has fallen from 162 to 69 per thousand; life expectancy has risen from 50 to 65 years; and literacy has climbed from 35 to 67 percent.³¹ We cannot prevent every crisis, but we can avert many. Investing in these efforts is a small price to pay for a foreign policy that advances our interests in a more stable world.

Aid to Advance U.S. Economic Interests

For both trade and investment, developing countries provide the most dynamic and rapidly expanding markets for U.S. goods and services. U.S. exports to developing countries in the 1990s have expanded at 12 percent annually, more than double the export growth to industrial countries. This is not just a short-term phenomenon, but reflects a trend that began emerging in the mid-1980s.

Between 1990 and 1995, annual American exports to transition and developing countries increased by \$102.9 billion, and now stand at over \$240 billion a year. This growth supported roughly 1.9 million jobs in the United States. Work in agriculture has a particularly high return. Forty-three of the fifty largest importers of American agricultural goods formerly received food aid from the United States—current agricultural exports to these former food-aid recipients exceeds \$40 billion a year. A recent study by the International Food Policy

³⁰ David Gordon et al, "What Future for Aid?," A collaboration of the Henry L. Stimson Center and the Overseas Development Council (November 1996), pp. 10-15.

³¹ Atwood testimony.

Research Institute found that for every dollar invested in agricultural research in developing countries, four dollars is returned to the donor country in the form of export purchases, of which more than one dollar is for agricultural commodities.³²

Specific Aid Recommendations

In order to pursue the foreign policy interests laid out earlier and to obtain the necessary level of support from Congress and the public at large, international assistance funding must become more sharply focused on a clear set of objectives. Distinguishing between the aid goals, as done above, allows us to focus our aid effort more clearly. With this in mind, we will now discuss some specific recommendations regarding aid to the region.

Pakistan and Bangladesh

These two nations have severe underdevelopment problems which are exacerbated by political instability. Both are burdened by inefficient and corrupt leaders. Pakistan's economy is extremely vulnerable to external and internal shocks, such as in 1992-93, when devastating floods and political uncertainty combined to depress economic growth sharply. Average real GDP growth from 1992 to 1997 dipped to 3.9% annually. The budget deficit in Fiscal Year 1996-97 was an estimated 6.2% of GDP, largely due to a huge foreign debt and large military budget.

Although one of the world's poorest and most densely populated countries, Bangladesh has made major strides to produce domestically and import from abroad enough food to feed its rapidly increasing population. Nonetheless, an

³² Economic data for previous two paragraphs was taken from the Atwood testimony.

estimated 10% to 15% of the population faces serious nutritional risk. Bangladesh's predominantly agricultural economy depends heavily on an erratic monsoon cycle, with periodic flooding and drought. Although improving, infrastructure to support transportation, communications, and power supply is poorly developed.³³

Assistance for helping Bangladesh and Pakistan should focus on providing a combination of concessional loans (both low and no interest) as well as outright grants concentrated on achieving:

- **Improved democratic institutions and processes.**
- **Sustained replacement fertility levels.**
- **Improved health status of the population.**
- **Food security for the poor.**³⁴

Critics might ask why the U.S. should provide such aid when these governments do not make such allocations. Another critique could be that currently, only one percent of the population pays taxes in Pakistan. These criticisms are well-founded. In order to foster equal commitments on the part of the governments of both countries, the U.S. could require equal matching of funds by the recipient nation. By offering aid, with stipulations, the United States improves its ability to foster progressive change in recipient countries. If we offer

³³ Economic data for both Pakistan and Bangladesh was accessed on the State Department web site at [<http://www.state.gov/www/regions/sa/>].

³⁴ Naturally, for this to take place in Pakistan's case, the current Pressler restrictions will have to be lifted. I also realize that improving democratic institutions and processes is a tall order. A complete description of aid programs is outside the scope of this paper, but USAID already has strategies designed to improve the aid recipient's democratic institutions and processes. One specific area that requires emphasis is women's education, as improved literacy and job skills benefit many development goals.

nothing, we have absolutely no leverage for pursuing our interests with respect to political instability.

India

Mutual benefits to both India and the United States have resulted from U.S. assistance in developing India's private sector, including its capital markets. A relatively small amount of targeted assistance, combined with Indian government policy reforms, have leveraged major private investment flows, both domestic and foreign. However, conventional wisdom holds that such growth is dependent upon sustainable economic growth rates of between 7% and 8%. For this to occur, the reform process must accelerate and expand.³⁵ The only way the U.S. can assist India in this process is for us to contribute an amount of assistance funds which is commensurate with India's growing importance. U.S. development aid to India is a pittance at less than half per cent of the total foreign aid bill of about \$12.3 billion.³⁶ Recommending a specific dollar amount is outside of the scope of this paper, but the United States should clearly consider raising our fiscal commitment to India.

Our aid program to India should concentrate on these areas:

- **Encouraging broad-based economic growth by providing concessional (low and no interest) loans for infrastructural improvements.**
- **Sustained replacement fertility levels.**

³⁵ "India Needs Efficient Markets," *Reuter*, 29 September, 1997.

³⁶ Chidanand Rajghatta, "Burton's anti-India rhetoric takes a good beating," *India Express*, 5 September, 1997.

- **Improved health status of the population.**
- **Environmental protection.**
- **Food security for the poor.**

The array of U.S. foreign policy goals and interests in South Asia argue powerfully for increased foreign aid. Brian Atwood's March 1997 testimony to Congress provides an excellent conclusion to this section of the paper. Atwood testified that ³⁷

During the Marshall Plan, foreign economic aid amounted to more than 1.5 percent of U.S. gross national product. Now, foreign aid is about one-tenth of 1 percent of our gross national product, and well below one-half of 1 percent of federal expenditures. Fortunately, and precisely because the Marshall Plan was such a success, there are many other nations to help us carry the mutual burden of international leadership. But we should still do better if we want to maintain our leadership role and defend our interests. A lead role for the United States in development cooperation is a vital part of American leadership in the post-Cold War era, arguably more important now than ever.

³⁷ Atwood testimony.

REGIONAL TENSION

Deeply rooted animosity between India and Pakistan has prevented stability in post-independence South Asia and threatens to continue to do so. The two countries have fought three major wars since independence and came very close to war in 1987 and 1990. They are currently engaged in a proxy war over the former princely state of Jammu and Kashmir. This conflict continues to play a spoiler role that works against even small degrees of cooperation between the two countries. This is aggravated by the political instability discussed earlier because weak governments remain hostage to opposition claims of "softness" whenever negotiations between the two countries are discussed. Moreover, both countries have the ability to build, deploy and use nuclear weapons. Consequently, many region watchers agree that South Asia represents the most probable area in which a conflict could eventually turn nuclear. Nuclear proliferation, admittedly closely intertwined with regional stability, will be discussed in the following section. Still, one aspect requires emphasis, namely, the spoiler role that our proliferation policies play in our relations with the region.

U.S. policy toward India and Pakistan as the Cold War was winding down centered on curbing Soviet influence in the region, discouraging nuclear proliferation, limiting human rights violations, combating terrorism and curbing drug trafficking. Many of these concerns remain important, as was pointed out in the discussion of U.S. interests. Moreover, we have increased emphasis on policy

which promotes democracy and expanding our economic relationship in the region. Unfortunately, a disparity exists between the congressional and executive perspectives on foreign policy. This fundamental disagreement has led to contradictory signals from the U.S. and has hindered our actions in the region.³⁸

The emphasis of current U.S. policy is the prevention of the proliferation and deployment of nuclear weapons and ballistic missiles. In the 1970s, Congress passed legislation designed to deter nuclear proliferation. The legislation imposed explicit prohibitions on various forms of U.S. assistance to countries that had crossed certain proliferation thresholds. In the late 1970s, U.S. security assistance to Pakistan was stopped in accordance with the legislation. However, when the Soviets invaded Afghanistan in late 1979, Congress granted Pakistan a waiver from nuclear-related sanctions, imposed earlier that year, so that it could assist us in our support of the Afghan resistance. In 1985, Congress passed the Pressler amendment, which outlawed security assistance of any kind to Pakistan unless the President certified annually that Pakistan was not capable of building a nuclear explosive device. The President signed the certification annually as long as Pakistan was a crucial part of our Afghanistan policy. Shortly after the Soviet withdrawal from Afghanistan, however, U.S. officials decided that the President should no longer sign the certification. The Pressler amendment sanctions went back into full force and other than a brief respite called the Brown amendment,³⁹

³⁸ This view concurs with that of the Task Force Report.

³⁹ The Brown amendment permitted the delivery of \$368 million in previously embargoed arms and spare parts and allowed future economic assistance and the provision of limited military assistance to Pakistan for counter-terrorism, peacekeeping, anti-narcotics efforts, and military training. Task Force Report, p. 75.

the administration's flexibility to affect policy has been limited in Pakistan.

The Pressler amendment, which only applied to Pakistan, was naturally welcomed by India. At the same time U.S.-Pakistan relations began to whither, U.S. relations with India improved; economic ties expanded, military sales and cooperation increased and the U.S. enjoyed India's support throughout most of Desert Storm. Still, increasing proliferation concerns in the U.S. often put the two countries at odds. The U.S. has been unable to persuade India to sign the Nuclear Nonproliferation Treaty (NPT) and Comprehensive Test Ban Treaty (CTBT). The frustration over Indian refusal to cooperate on these politically sensitive issues appears to have contributed to a sense of uncertainty over whether the administration wants to pursue a more active role in the region. In short, our government's focus on non-proliferation has overshadowed all other issues, thus hindering U.S. chances at expanded relations in the region.

RECOMMENDATIONS

- **The U.S. should recognize India's dominant position in the region and pursue policies consistent with that recognition.⁴⁰**
- **The U.S. should support India in its bid to become a recognized world power.**
- **The U.S. should strive to strengthen its relationship with Pakistan by offering valuable economic development aid.**

⁴⁰ This "recognition" should not come in the form of an official policy statement as that would only serve to antagonize Pakistan. It is through our actions and policies, rather, that we should seek to demonstrate our acknowledgment of India's dominance in the region.

INTERESTS SERVED

- **Expanding economic growth, trade and investment.**
- **Reducing tensions and encouraging peaceful conflict resolution.**

DISCUSSION

The U.S. can do very little to completely erase the ill-feelings between Pakistan and India. Still, a sensible policy that meets the intent of our National Security Strategy could do much to improve relations between the two countries. That policy must recognize that India is and will continue to be the strongest country in the region while convincing Pakistan that the U.S. values its friendship. Two steps are necessary for this to occur. First, the administration and Congress must acknowledge that nonproliferation efforts cannot be allowed to stifle overall policy efforts in any region. Secondly, the U.S. must convince the two parties that improved relations with one country does not have to equate to poor relations with the other.

The U.S. should develop a closer relationship with India – one based on shared values and institutions, economic cooperation and the common desire for regional stability. A strong and friendly India can play a major role in promoting stability and economic growth across Asia. By recognizing India's growing power and supporting it in its quest for world leadership, the U.S. stands to gain a valuable friend in the region while improving its chances for influencing major policy issues.

The best way for the U.S. to demonstrate its sincere desire for improved relations is for it to fully support India's upcoming bid for permanent membership to the U.N. Security Council. Opponents of this recommendation might argue that India has not demonstrated a willingness for compromise on sensitive international issues such as proliferation and would more often than not be at odds with many of the current permanent members, including the U.S. Furthermore, supporting Indian membership would instantly alienate Pakistan, which vehemently opposes Indian membership for obvious reasons. Still, we must recognize that in spite of intense competition, the U.S. and Soviet Union managed to work effectively within the confines of the Security Council during the Cold War. There is no reason to believe that India and the U.S. cannot work together to resolve their differences. After all, the two countries have many shared interests and values. As far as Pakistan is concerned, we should do everything possible to convince them that our support of India does not lessen our commitment to broadening ties with it. Most importantly, we must recognize that a strong relationship with India promises to pay far more dividends in the long term.

Given the first recommendation, some might argue that improved relations with Pakistan becomes a non-starter. Pakistan's security and economic development are important to the U.S., and we should strive to strengthen our friendship. We should encourage Pakistan to understand that improved relations between the U.S. and India does not equate to a hostile act. The section on political stability recommends increased development assistance to Pakistan to help promote stability. The Task Force Report recommends that the U.S. should "be

prepared to resume limited conventional arms sales to Pakistan.”⁴¹ This recommendation is unacceptable because of the damage it would cause to our relationship with India. Besides, Pakistan is unlikely to completely sever ties with the U.S. over this issue, especially if we offer an attractive aid program as a show of good faith. We might also consider releasing the \$ 1 billion Pakistan paid for F16 aircraft that we decided later could not be delivered.

A Note on Kashmir

Kashmir lies at the heart of the tensions between these two neighboring countries. For India, the Muslim majority state represents proof that the secular democracy of the Indian National Congress accommodates Muslims. For Pakistan, a viable Jammu and Kashmir state in India threatens the very logic of the two-nation theory, which argued that Muslim rights could not be protected in a majority Hindu India. U.S. policy recognizes that all territories of the former princely state of Jammu and Kashmir are disputed territories. We also recognize that the issue can only be solved through bilateral negotiations between India and Pakistan, taking into account the desires of the people of Jammu and Kashmir. We have offered to assist the two parties at resolving the conflict and have basically left it at that. This is absolutely the correct policy. Neither the U.S. nor any other world power has enough leverage in the region to force a solution on the two parties. The time is not right for the U.S. to place itself between India and Pakistan over Kashmir.

⁴¹ Ibid, p. 36.

NUCLEAR PROLIFERATION

As discussed earlier, the proliferation issue dominates U.S. policy in South Asia. South Asia is the only region in the world in which two nuclear capable countries are engaged in limited war. Uncertainty regarding the command, control and communications capabilities of Pakistan and India intensifies this concern. To date, the administration and Capitol Hill have placed emphasis on getting the two parties to sign international agreements such as the NPT and CTBT. India and Pakistan have legitimate concerns over the agreements and neither of the two show any indication that they will sign any time soon. India views these agreements as discriminatory, strengthening the nuclear "haves" at the expense of the "have nots." Pakistan claims that it will sign all agreements the very day India signs them. The bottom line for the U.S. is that we have to recognize that overemphasizing these agreements damages our ability to make progress in other interest areas, while preventing us from fostering improvements in other proliferation areas. The NPT has had some positive effect at curbing nuclear proliferation in the world, but various countries, including Pakistan and India, have developed nuclear weapons in spite of the NPT regime. Considering our experience with India and Pakistan, perhaps it is time to consider an alternative to the NPT regime.

NUCLEAR CAPABILITIES IN SOUTH ASIA

Although India and Pakistan both deny they possess nuclear weapons, both admit they have the capability to produce them. It is generally accepted that weapons exist in a disassembled form on the Subcontinent. India exploded a nuclear device in 1974 and is thought to have enough plutonium for 75 or more nuclear weapons. Pakistan probably has enough enriched uranium for 10-15 nuclear weapons. Both countries have aircraft capable of delivering weapons. India has short-range missiles (Prithvi) and is developing intermediate-range missiles (Agni) with enough payload capacity to carry a nuclear warhead. Pakistan is developing short-range missiles (Hatf I and II) and may have acquired M-11 medium-range missiles from China, believed capable of carrying small nuclear warheads.⁴²

Proliferation in South Asia is part of the long process of global proliferation in which successive states have developed nuclear weapons in response to a rivals' capabilities. U.S. capability was quickly matched by the Soviet Union, and China went nuclear in 1964 to protect itself from both superpowers. Beijing's successful 1964 test, coming as it did on the heels of the 1962 war between India and China, prompted India to develop a nuclear option. This pattern of events was repeated in the 1970s, when Pakistan responded to India's 1974 nuclear test by developing a program of their own.

While their missile and unsafeguarded nuclear programs continue, Pakistan and India have shown restraint in some areas. India detonated a nuclear device 23

⁴² LePoer, "Pakistan-U.S. Relations," pp. 6-7.

years ago and, despite reports of test preparations in late 1995, has not conducted a second test. Pakistan has never tested a nuclear device. Experts differ on whether the current nuclear programs in India and Pakistan are likely to fuel a continued nuclear arms race or increase the risk of nuclear conflict in South Asia. Some argue that the current nuclear programs in the two nations could evolve into an arms race, with each nation seeking to remain a step ahead of the other.⁴³ Some are very concerned that India and Pakistan might be on the brink of a nuclear exchange due to their long history of intense competition and the conflict over Kashmir. Congress' actions indicate that most legislators join the ranks of the "concerned." Others, however, argue that neither India nor Pakistan would undertake a nuclear arms race with the other because both have achieved their security objectives with their current capabilities. Furthermore, some argue that the presence of deterrence decreases the risk of major conflict between the two nations precisely because each knows that the conflict could escalate into a nuclear exchange. Before discussing specific recommendations, I must provide the reader with my overall feelings on the issue.

First and foremost, I feel that the present form of non-weaponized nuclear deterrence encourages stability in the region.⁴⁴ This assertion is rooted in my strong belief that Pakistani and Indian policy-makers are no less rational than their

⁴³ Leonard S. Spector, et al, "Tracking Nuclear Proliferation: A Guide in Maps and Charts," Carnegie Endowment for International Peace, 1995.

⁴⁴ This term originated with George Perkovich. It depicts a relationship between India and Pakistan in which their nuclear capabilities impose a condition of mutual deterrence in both countries. "A Nuclear Third Way in South Asia," *Foreign Policy*, (Summer 1993), n91, pp. 85-105.

U.S. counterparts.⁴⁵ The two countries, which fought three wars within a period of less than 25 years, have not fought a major war since 1971 – over 25 years ago. There is no question in my mind that non-weaponized deterrence was the deciding factor in preventing major war between the two countries. Unfortunately, the nuclear factor may have also emboldened Pakistan to continue interfering in Kashmir, without the fear of a major military response from the Indians. My belief in the effectiveness of non-weaponized deterrence, coupled with Ashley Tellis' well-researched argument⁴⁶ that all-out war is not plausible in the near future, lessens my concern over the much touted scenario of a nuclear exchange resulting from escalation of a conventional war. That said, there are still areas that warrant much concern.

I believe that Indian and Pakistani leaders are capable of developing mature deterrence strategy designed to limit the scenarios under which diplomatic and even military conflicts might escalate into nuclear exchanges. Yet, I recognize that the nuclear programs of both countries are far less sophisticated than those of the declared nuclear powers. I also recognize that the current state of non-weaponized deterrence could be easily upset if one party were to conduct a nuclear test or deploy ballistic missiles. India and Pakistan do not possess reliable technology that allows them to monitor the movement of large weapons or military

⁴⁵ The issue of irrational tendencies in South Asian leaders is important because many ardent anti-proliferationists argue that the nuclear situation in South Asia is extremely unstable because its leaders are inherently prone to irrational behavior. Some go as far as to compare India and Pakistan's relationship with that of Iran and Iraq during their war. These comparisons are absolutely baseless. Nothing indicates that India or Pakistan would submit to acts such as those perpetrated in the Iran/Iraq War.

⁴⁶ Ashley J. Tellis, "Stability in South Asia," *RAND Documented Briefing*, (Washington: RAND, 1997).

formations. Because of this, there is always the potential for misunderstandings and miscommunications to inadvertently plunge these two countries into full-scale war. Furthermore, their communications technology is extremely unreliable. Unreliable communications severely limits the ability of leadership to pass orders in real time to theater commanders and those who control nuclear weaponry. This inability to communicate in real time might lead to hasty nuclear release orders or slow the process of lowering alert status. This is even more worrisome when one considers the geographical proximity of the two countries in question. Lastly, it is unlikely that either country has developed Permissive Action Link (PAL) technology, devices that nearly eliminate the possibility of unauthorized or accidental detonation.

Thus far we have identified three significant proliferation issues. Firstly, I questioned the effectiveness of the NPT regime for dealing with South Asian proliferation. Secondly, although I argued that non-weaponized deterrence appears to be working well in South Asia, I admitted that any major changes in the proliferation equation could change things for the worse. Lastly, I voiced my concern over the apparent lack of appropriate command and control capabilities within the region. Given the complexity these issues, I will discuss recommendations for each issue separately.

RECOMMENDATION I

- **The U.S. should work in concert with the other nuclear weapon powers to encourage India and Pakistan to openly join the group of declared nuclear powers.**

INTERESTS SERVED

- **Preventing the further development or deployment of weapons of mass destruction.**
- **Cooperating to restrict the transfer of nuclear material, nuclear technology and missile technology.**
- **Assisting India and Pakistan to safeguard against accidental or unauthorized detonation.**

DISCUSSION

The current policy on nuclear proliferation is based on the NPT, which was signed in 1978. This treaty established the International Atomic Energy Agency (IAEA) to monitor certain nuclear activities among the signatories to the treaty. The treaty has helped to slow global proliferation, but it has not prevented various countries from developing nuclear weapons. Nor has it been effective at curbing proliferation in South Asia. At least four nations, India, Pakistan, Israel and South Africa, developed nuclear weapons under the NPT regime.⁴⁷ Admittedly, none of

⁴⁷ While it is true that Israel and India started their programs before the NPT regime, it is accepted that they have built weapons since the regimes' inception.

these parties had signed the NPT at the time, but all that demonstrates is that the regime is flawed. Two other nations, Iraq and North Korea, came dangerously close to covertly developing an illegal nuclear arsenal despite having signed the NPT. The inability of the NPT regime to prevent proliferation leads to the logical conclusion that major revisions in the NPT are justifiable and warranted.

The NPT regime operates under the Cold War assumption that there are five admitted nuclear powers and that the essential objective is to prevent anyone else from developing a nuclear weapon capability. There is strong reason to believe that this assumption is flawed, both from a technical and a political viewpoint. Nuclear weapons turned out not to be that difficult to produce. Technology has advanced significantly since the first nuclear weapons were produced. Furthermore, the technologies and skills that are required have spread around the world with the globalization of business and commerce. The political flaw with the NPT was that it did not recognize that there are nations with legitimate reasons for mounting the effort to produce nuclear weapons. I would certainly put India and Pakistan in that category. For these reasons, I think that a new look at the NPT regime is necessary and desirable.⁴⁸

This option is desirable for several reasons. Firstly, it is important to distinguish between nuclear capable nations that have good reasons to develop nuclear weapons, and those that do not. Pakistan and India have neighbors which

⁴⁸ This argument was first brought to my attention in a conversation with Professor Hans Mark of the University of Texas at Austin. A subsequent interview reinforced the attractiveness of this option in my mind. I recognize that this option has absolutely no chance of becoming U.S. policy in the near future. I still believe, however, in the value of the idea itself and in the benefit of discussing policies which may be unrealistic in the near term.

present genuine military threats. Thus, it might be argued that both had compelling reasons not to join the NPT regime and to go ahead and develop nuclear weapons. South Africa, on the other hand, was not threatened seriously to the point where large investments in nuclear weapons could be justified. One might also argue that Iraq and North Korea have legitimate security concerns from their perspectives. This may be true, but given their records on militarism and expansionism, does the United States want to trust Iraq and North Korea with nuclear weapons? My answer to this question is a resounding "no." Both the Iraqis and the North Koreans initiated nuclear weapons program because they thought it would strengthen their aggressive military policies. The white Republic of South Africa created nuclear weapons because they somehow felt that these could help them delay the day of multi-racial government in the region. Neither of these motivations can seriously be regarded as "legitimate."

What all of this leads to is that the five nuclear powers should meet and encourage all other nations with nuclear programs to admit that the programs exist and to openly join the group of nuclear powers. The new members of the "nuclear club," as well as existing ones, would agree to inventories of their weapons stockpiles by the IAEA. The incentive for nations to join would be a new NPT which would provide for mutual security assistance, economic assistance if appropriate, and other similar measures. Given India's past insistence on linking any proliferation agreement with a global disarmament timeline, this could be a tough sell. But since the declared nuclear powers would submit to IAEA inventories of their arsenals, much of the steam for India's argument about the

discriminatory nature of the NPT would be removed. The "NPT plus" option would also serve to isolate truly rogue nations like Iran, Iraq and North Korea.

RECOMMENDATION II

- **The U.S. should continue efforts to prevent the actual deployment of ballistic missiles and discourage further nuclear testing.**

INTEREST SERVED

- **Preventing the further development or deployment of weapons of mass destruction.**

DISCUSSION

India and Pakistan will not sign the NPT or CTBT any time soon. Therefore, the U.S. should devise other ways of increasing nuclear stability. The current state of non-weaponized deterrence could falter if any major changes occur in the nuclear equation. For instance, if one country were to deploy ballistic missiles, the other would be forced to respond in kind or alter its overall policy. Currently, neither country could hope to launch a preemptive strike that would knock out their opponent's second strike capability. However, if India deployed the Prithvi missile, then Pakistan might feel that its nuclear arsenal was at risk. Pakistan may then decide to change their overall policy to one of early use or "launch on warning." Again, this is extremely worrisome when one considers the

short distances and warning times involved in any conflict between the two countries.

Consequently, the U.S. should continue to commit strategic intelligence assets to monitoring the region. I suspect that recent "leaked" reports of alleged nuclear test preparations and deployment of Prithvis are accurate. Likewise, "leaked" reports of Chinese M11s and ring magnets in Pakistan are probably equally true. The tactic of leaking the reports may be the administration's way of placing public pressure on India, Pakistan and China without resorting to direct accusations. The tactic might also help dissuade Capitol Hill from insisting on sanctions against those countries.⁴⁹ Our strategic intelligence assets allow us to keep an eye on the region without forcing India and Pakistan to publicly concede to our pressure. If undesirable nuclear developments were to occur, we could continue to use closed-door diplomacy to convince the proliferating country how we and the international community might react to the said development.

RECOMMENDATION III

- **The U.S. should provide critical Command, Control and Communications (C3) technology to Pakistan and India.**

INTERESTS SERVED

- **Cooperating to restrict the transfer of nuclear material, nuclear technology and missile technology.**

⁴⁹ This is only conjecture, but it makes sense. I am not privy to actual intelligence on the matter.

- **Assisting India and Pakistan to safeguard against accidental or unauthorized detonation.**

DISCUSSION

The “what ifs” of nuclear competition in South Asia are the most worrisome of all. What if an extremely fragile government in Pakistan is overthrown by Islamic extremists who gain control over the nuclear weapons or important nuclear technology? What if one of the countries experiences a natural disaster or terrorist attack that threatens the security of the weapons? What if increasing tension in the region results in full-scale war? Do these countries have the ability to react adequately to a fast-developing crisis? The “what ifs” of nuclear competition constitute possible situations in which our interests in the region could instantly become *vital*. Accordingly, we should do everything in our power to help these governments maintain command and control over their nuclear weapons technology and components.

Sharing of PAL Technology

PAL systems are “devices and subsystems designed to reduce the possibility of obtaining a nuclear detonation from a nuclear warhead without the use (insertion) of a controlled numerical code, thus reducing the probability of an unauthorized nuclear detonation.”⁵⁰ These systems were first developed during

⁵⁰ For a complete history of the Permissive Action Link, see Peter Stein and Peter Feaver, *Assuring Control of Nuclear Weapons: The Evolution of Permissive Action Links*, (Maryland, University Press of America, 1987), p. 55.

the late 1950s as concerns about the control of nuclear weapons increased. The first PALs were relatively easy to bypass. They were simply mechanical combination locks which, when fitted onto the nose of missiles and projectiles, prevented the weapon from being placed into the delivery system. These first PALs could be picked or bypassed, assuming one had sufficient time and access to do so. From the very beginning of the development of PAL technology, it was recognized that the real challenge was to build a system that afforded protection from the latter threat.⁵¹

The U.S. should act now to share PAL technology with India and Pakistan to help prevent unauthorized or accidental detonation of the devices they may have on hand. Unsafeguarded nuclear weapons can, in principle, be detonated by an unauthorized individual or by several kinds of accidents.⁵² Modern PALs are extremely impressive. The most modern versions can detect if a weapon has been stolen and moved to an unauthorized area and can even sense efforts at sabotage. They feature sensitive environmental detection sensors and location sensing detectors which require technology that India and Pakistan do not possess.⁵³

This is not to say that Indian and Pakistani technicians are incapable of developing PAL systems. Both countries have brilliant scientists who, given adequate resources, could build sophisticated control devices. There are two reasons, however, why they have probably chosen not to. Firstly, choosing not to assemble the weapons affords a great deal of natural protection against many of

⁵¹ Ibid, p. 56.

⁵² Pervez Hoodbhoy, "Nuclear Issue Between India and Pakistan: Myths and Realities," The Henry L. Stimson Center, *Occasional Paper No. 18* (July 1994), p. 15.

⁵³ Stein and Feaver, chs. 4-5.

the possible avenues of unauthorized use. This natural protection probably blinds India and Pakistan to the importance of PAL devices. Secondly, given the degree of protection afforded by non-weaponized deterrence, the costs of developing PAL technologies are probably seen as unnecessary.

The "what ifs" of nuclear competition in South Asia strengthen the argument for sharing this technology. There are at least two major problems with this policy, however. Firstly, both countries claim not to have assembled functional weapons. Acceptance of PAL technology might be interpreted by some as tacit admission that fully capable nuclear weapons exist. The second problem is that such an initiative is likely to be hotly contested in the U.S. legislature by those against sharing of any nuclear technology. Both problems, however, can and should be overcome.

To overcome the first problem – that of tacit admission that nuclear weapons already exist – the international community could simply agree not to initiate sanctions or new non-proliferation initiatives based only on PAL acceptance. The second issue – that of legislative opposition to a presidential initiative such as this – could present a problem. I do not profess to know the details of U.S. law concerning presidential powers concerning the sharing of nuclear-related technology such as the PAL, but the President probably has a large amount of leeway to act unilaterally. If not, it is worth the political cost to the administration to convince our legislators of the benefits of such policy.

CONCLUSION

Our interests in South Asia will continue to grow in the approaching millennium. Prudent policies now can encourage peace and stability in the region while increasing our involvement and influence in the region. The U.S. must act now to ensure that it increases its influence in the region. The present, half-hearted approach to South Asia, which allows proliferation objectives to overshadow all others, threatens our long term interests in this potentially critical area of the world. Competition between China and the U.S. is likely to intensify as China realizes economic growth and asserts itself more and more within and outside of Asia. A close relationship with India, based on shared values and goals, can help us in our future relationship with China. Furthermore, the potential for disasters in South Asia – nuclear or political – dictates that we do all we can to lend stability to this troubled region. In the preface to the new *National Security Strategy* President Clinton acknowledges that, “[n]ow is the moment to be farsighted as we chart a path into the new millennium.”⁵⁴ The recommendations put forth in this paper recognize the importance of farsightedness in foreign policy. Actions we take now in South Asia could certainly allow for more effective pursuit of our interests in the long term.

⁵⁴ *National Security Strategy*, p. 4.

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